Cloud Financial Sharing Service Center Implementation Risk Research

Rongkun Wen
Yunnan College of Business Management
Kunming, Yunnan, China

Abstract—According to the actual situation of the construction of the enterprise financial shared service center, its complexity and systemicity are relatively strong, and it has great connection with the management level and management resources of the construction enterprise. It is necessary to reduce the financial management cost and work efficiency of the enterprise. Therefore, this paper comprehensively analyzes the risks faced by the enterprise financial shared service center construction, and proposes the control strategy for the construction of the enterprise financial shared service center to comprehensively reduce the overall risk of the enterprise financial shared service center construction.

Keywords—Cloud financial sharing service center; Implementation risk; Research

I. INTRODUCTION

Financial management is the core of enterprise group management. However, the financial management efficiency of enterprise groups is low, the cost is high, and the quality of financial information is poor. It has become a serious disease area for enterprise groups (Jack, 1997). Therefore, some multinational enterprise groups have carried out financial management changes and process reengineering, and a new financial management model (FSS, Finance Shared Service) has emerged. In 1980, Ford Company of the United States first established the FSSC-Financial Shared Service Center (Moller, 1997; Hammer, 2001). Subsequently, DuPont, Mobil, Shell, Procter & Gamble, Johnson & Johnson, Dell, Haier, and ZTE established financial sharing service centers. As a relatively advanced model, the Financial Shared Service Center can intuitively reduce the operating costs of the enterprise and improve the overall efficiency. However, its construction and implementation is a complex systematic project that integrates the enterprise management model, financial business functions, and information. The system and other latitude resources, so in the actual construction of domestic enterprises may face many risks and dilemmas, this paper proposes risk control measures for the above risks, in order to provide technical and knowledge support for the establishment of financial shared service centers in China.

II. THE MEANING OF FINANCIAL SHARING

Financial sharing originates from shared services. The realization of financial sharing is based on information technology. In the financial management of enterprises, the use of process management means not only regulates the financial management behavior of enterprises, but also optimizes the internal structure of enterprises and reduces the operating costs of enterprises. Enterprise financial sharing service center operations include: enterprise organization, business management process, enterprise operation management, financial sharing service center and so on.

The enterprise financial sharing service model was formed in the 1980s. In the development of enterprise management, the multi-organizational structure management method of multinational corporations is on the rise. Based on this, the founder of Gwen Partners, Robert Gann, wears the American Johnson & Johnson Company. Wei Ling, GE's Robert and DEC's Steven Behrens proposed financial sharing in 1993. Nowadays, the International Financial Shared Service Management Association has clearly defined financial sharing: financial sharing refers to relying on information technology to apply process management methods in the financial management to improve the efficiency of financial management and standardize financial management. The process reduces the operating costs of the enterprise and optimizes the internal structure of the enterprise. At the same time, it can also provide users with professional management methods from both internal and external perspectives.

III. THE RISK OF FINANCIAL SHARING BY ENTERPRISES

Compared with the traditional enterprise financial management model, the financial sharing model has obvious advantages in application, which not only enhances the financial management level of the group, but also enhances the ability of enterprises to cope with operational risks. However, it should be noted that in the practical application of the financial management model, there are many risk factors in the above work due to the need to make major changes to the internal organizational structure, financial transformation, and financial management workflow.

IV. THE RISK CONTROL STRATEGY OF ENTERPRISE FINANCIAL SHARING SERVICE CENTER CONSTRUCTION

A. Mode Positioning

In the choice of financial sharing service model, it is necessary to comprehensively consider the status quo of enterprise development and strategic planning. In the “Twelfth Five-Year Plan”, many enterprises require the establishment of a financial shared service center as soon as possible, and in the specific construction process, the enterprise is required to adopt the future. Based on the development plan, the important position of the financial sharing service center is
In the process of constructing the organizational structure of corporate financial management, there are also risk factors. The parent company and subsidiaries of the group belong to independent corporate legal persons, and each enterprise within the group forms a joint economic organization through property rights relations. In the group enterprises, the parent company is at the core position, while the subsidiaries are in different management groups in the group. Therefore, the parent company and subsidiaries of the group also have certain differences in financial decision-making power and decision-making content. In the practical application of the enterprise financial sharing model, it is necessary to optimize the internal organizational structure of the enterprise and establish a sound financial sharing service center, so as to lay the foundation for the financial management of the company’s general ledger and payable. First, the combination of responsibility, power and profit is the basic requirement of enterprise management. Depreciation requires strict implementation of the principle of combining responsibility, power and profit in the financial management process of the group enterprise, comprehensively considering the actual situation of the operation and development of the group enterprise, and determining different management. Group companies should also pay attention to the relationship between the three factors of responsibility, power and profit, fully mobilize the enthusiasm of management at all levels, and enhance the efficiency of production and operation of enterprises. Second, the group enterprises need to give full play to the advantages of the group enterprises in the aspects of organizational structure design, investment decision-making and industrial integration, and promote the stable development of the group enterprises.

C. Process Management

When constructing a corporate financial shared service center, we must attach great importance to the construction of information platforms and strengthen business process management. In the process of building the financial sharing center, in order to ensure the application efficiency of the enterprise financial sharing service mode, a standardized and scientific management process is required. Therefore, with a unified management mechanism as the standard, combined with the actual situation of the enterprise, establish and improve the sound financial business standards. In the process of centralized financial management of enterprises, each branch within the group not only needs to strictly abide by the centralized management requirements, but also should formulate a unified financial management process, improve the accounting level of enterprises, appropriately reduce the financial staffing, and finally formulate a set. Suitable for all molecular companies’ business processes.

D. Information System Construction

In the new era, in the information age, when constructing the enterprise financial sharing service center, we should pay attention to the integrated application of the information system, combined with the actual needs of the enterprise financial management, fully apply various computer technologies and network technologies, and effectively improve the business service level of the enterprise. The key points of control in the construction of information systems are as follows: First, the development and application of information systems must be based on the functions of the service financial sharing service, and should also be forward-looking. For information systems, they should not be purchased directly, but should be customized or developed according to the actual situation of the enterprise. The second is to ensure that the information system can serve the actual needs of the financial shared service center. In the process of development and construction of the information system, it must be promoted in an orderly manner. The third is to establish and improve various management systems such as information system information security management and backup management to ensure the security of information data. The fourth is to set up the account opening, authority approval and management of the financial sharing service center information system to avoid information system fraud. The fifth is to strengthen the audit management of special information systems, timely discover hidden dangers in the application process of information systems, and take effective improvement measures to improve the information system.

E. Personnel Transformation

In the process of building a corporate financial shared service center, personnel transformation is crucial, including the adjustment of job positions, job responsibilities, and work standards. This requires improving the scientific and rationality of staffing and salary distribution, and giving full play to service center applications. Function. In the personnel risk management and control, the following points should be noted: (1) According to the actual situation of the function of the financial sharing service center, comprehensively consider the future development plan of the enterprise, make scientific and reasonable arrangements for human resources, and improve the personnel training and introduction plan of the enterprise. (2) Determine the financial shared service center job plan and integrate the human resources of the enterprise. (3) For the financial sharing service center, build a training and education system, and cultivate reserve talents for enterprise development.

F. Tax Law Risk Prevention and Control

Establish a flexible tax management platform. In corporate financial sharing services, tax risks are more common. Because tax levels vary from region to region, flexible management platforms should be developed for tax management to minimize tax-related risks. For example, in the construction of enterprise financial sharing management
system, the national tax policy update function can be added to facilitate access to national tax policies, and corresponding tax reports are issued according to tax management requirements. In addition, for enterprise employees' wages and project investment, automated accounting methods can be used to reduce manual errors. In addition, you can add personal inquiry function and check function, and connect to the tax bureau. For large taxes, you can declare it yourself.

In the corporate finance department, you can set up a tax commissioner and form a tax research team. In the actual work of the tax commissioner, you can communicate with the local taxation department of the enterprise to complete the tax audit. At the same time, you can also find out the problems in the enterprise tax management in a timely manner and immediately take corrective measures. By constructing a tax research group, we can coordinate corporate tax management work, conduct research and analysis on the latest local tax policy, and formulate corresponding taxation plans based on the actual situation of business development.

Corporate financial management personnel should actively learn the corresponding legal norms, and in the financial management work, it is forbidden to touch illegal areas. In addition, enterprises should also adopt advanced information technology to carry out information management of financial management files and improve the efficiency of financial management.

V. THE CONTROL MEASURES FOR THE CONSTRUCTION OF FINANCIAL SHARED SERVICE CENTERS

According to the implementation experience summarized by the enterprises that have implemented the financial sharing service, the resistance and difficulties encountered in the implementation process mainly focus on the constraints of information systems, the degree of business process optimization, and the transformation and resettlement of personnel. Financial shared service center operations require strong models and organizational structure analysis, information systems and employee quality as technical support.

A. Control of Mode Selection

The choice of the financial sharing service model should be based on the corporate strategic plan. Some large group companies will clearly state in their “Twelfth Five-Year Plan” that the Group should form a comprehensive financial and capital centralized management platform in the five-year plan, and believe that it should be realized in the form of a financial shared service center. The key point of the control of the financial sharing service center mode selection is that it must take the strategic development of the enterprise as the starting point, analyze the function positioning of the financial shared service center, and conduct research and discussion analysis.

Therefore, the first control point for a company that is preparing to build a financial shared service center to make financial service sharing service decisions should be a systematic analysis of the group company's strategic planning, financial sharing service objectives and functions, and a feasibility analysis report. Conduct full communication and discussion within the group to clarify the choice of financial sharing service model. The second control point is to fully discuss the positioning and mode selection of the financial shared service center of the group company with the subsidiaries and business units covered by the financial shared service center in the future, and obtain feedback and recognition from the affiliated units, with official documents. Communicate effective internal control information within the group.

B. Control of Organizational Structure

Organizational structure, as the basic framework of enterprise organization work, is the basis of process arrangement, and therefore an important part of the construction of financial shared service center. On the basis of the financial shared service model, the company should refine the objectives and responsibilities of the financial sharing service, and define the process and departmental responsibilities according to the detailed system, and consider the company's management resources and management level to determine the financial sharing service center. Organization. In the organizational control of the financial shared service center, it mainly involves designing, adjusting and supervising the three control contents. First of all, in the initial stage of the construction of the financial shared service center, the functional analysis should be carried out according to the positioning of the financial shared service center, and the choice of the mode of the financial shared service center is significant. If it is positioned as a service-oriented financial shared service center, its departmental functions are mainly management of accounts, funds and documents. Secondly, with the development of enterprise and financial shared service centers, their functions and models may be subject to changes in organizational structure according to market development and management optimization. Therefore, the Financial Shared Service Center should clarify the mechanism for regularly assessing the financial shared service center department and job responsibilities, and form an evaluation report to incorporate a regular revision tracking mechanism. Finally, in the organizational structure of the Financial Shared Service Center, the incompatibility of job separation and the management of the authority of information system management positions are the focus of daily control and supervision.

C. Control of the Process Management Process

The prerequisite for the unification of process management is firstly the unification of the system. If there is no unified institutional policy, even if the structural or process changes are carried out, there may be problems. Therefore, the first control point is to establish a unified standard of financial operation standards and processes, and at the same time embed institutional policy development into the information system to ensure that the front-end business departments operate according to the system and policies, and continue to improve according to the needs of the external environment and internal management. The second control point is the construction of the standardization of the operation process. Under the premise of unified system, the original sub-branch and the process of receiving the new financial business should be standardized, including: Differentiating the existing sub-
D. Control in the Allocation of Human Resources

The Financial Shared Service Center puts forward higher requirements in terms of employee competency and training system, which means that employees should have more comprehensive communication skills and new skills learning capabilities, such as new information technology and logistics knowledge applications. Therefore, the human resources control of the Financial Shared Service Center focuses on the following contents: (1) From the perspective of the function of the financial shared service center, analyze and prepare the human resources plan for five years and above, and clarify the talent introduction, training and retention arrangements; (2) Clarify the financial planning and design of the financial sharing service center, analyze the existing human resources gap, and arrange personnel recruitment in a timely manner; (3) Establish a systematic internal financial and service center training system to form a financial learning service center internal learning and knowledge platform for long-term management; (4) Establish an internal staff capacity improvement plan and career planning support project, make a detailed transition plan, and communicate closely with employees to help the original employees adapt to the new financial sharing service center to achieve peace transition and emotions. Soothe; (5) clarify the confidentiality responsibilities and rotation requirements of key positions to achieve corporate information security and anti-fraud needs.

E. Control in the Construction of Information Systems

The remote financial process of the Financial Shared Service Center requires a strong network system and a strong enterprise information system as an IT platform. The information system of the financial shared service center must implement the following functions: Construct a system data sharing interface and platform, which meets the data requirements of the group and each business unit; at the same time, the business concentrates on the financial sharing, and the standardized operation will reduce the deviation and the original decentralized financial mode. The black box operation of each sub-branch reduces the risk of financial fraud; allows business data to automatically generate financial information; allows the system to automatically prompt exceptions and warnings through settings; and builds information system customization development programs to meet the special needs of enterprises. The control measures for the information sharing process of the financial sharing service center include: (1) The information system development should serve the function positioning of the financial sharing service center, and it is forward-looking, and the information system of the financial sharing service center should not be directly purchased. Customization and customized development must be based on the basic situation and characteristics of the financial shared service center; (2) Clearly the information system should serve the management needs of the financial shared service center, and should not be dominated by IT technology, the financial shared service center information system The development and construction should be carried out in an inter-departmental team; (3) clarify the management needs development report and project acceptance mechanism of the financial sharing service center information system, and ensure the participation of the use department in the acceptance process; (4) arrange financial sharing the information backup, disaster recovery and information confidentiality management system of the service center information system to protect the security and confidentiality of the information; (5) clarifying the opening, adjustment, approval and management authority of the information sharing account of the financial sharing service center, and not Compatible position From, information systems to reduce the possibility of fraud; (6) from time to time and special information systems audit, as well as early detection of financial shared service center information system loopholes and room for improvement, continuous optimization of information systems.

VI. Conclusion

To sum up, in the context of increasing market competition faced by aviation companies, we attach great importance to the construction of corporate financial shared service centers, and on the basis of appropriate control strategies, truly enhance the core competitiveness of aviation enterprises. Therefore, according to the current financial management of aviation enterprises, making full use of modern information technology and strengthening the transformation of financial personnel, can truly reduce the financial management risks of aviation enterprises, and finally realize the scientific construction of enterprise financial sharing service centers.

REFERENCES